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more natural factors have also favored the movement in this country so that even if the artificial stimuli were abolished we should still find the trust farther developed here than in Great Britain. The existence of such artificial factors can hardly make a different problem of the matter, for the underlying fundamental economic forces at work are the same in both countries. We would also suggest that additional light might have been thrown on the British trusts by a further consideration of the broader aspects of the situation, as the position in which Great Britain has recently found herself in relation to the rest of the industrial world.

CHESTER W. WRIGHT

THE UNIVERSITY OF CHICAGO

American Railways as Investments. By CARL SNYDER. New York: The Moody Corporation, 1907. 8vo, pp. 762.

This is just the book the ordinary intelligent investor has been looking for. It makes no pretensions to inside information. No tips are dealt out. Indeed the men who buy on tips are rightly labeled:

They do not *invest*: they hardly even speculate. They are simply *gamblers* and nothing more; and this applies just as much to the solid investor who makes a purchase on someone else's say-so as to the fatuous army which chases fortune upon "the street" with margins (p. 17).

This is not the class for which the book was written. But for the man who has a sum great or small and intelligence enough to invest it, Mr. Snyder furnishes the data on which an intelligent judgment can be based—and furnishes it in plain and comparable form for all the important roads.

In a fifty-page introduction a clear elementary statement of the principles governing values is made and the terms used are defined and illustrated.

Although the railways of the United States taken together represent the largest single "vested interest" in the world, paying \$500,000,000 a year to investors, and by every test have been steadily increasing in value since 1900, their market price shows enormous fluctuation. There are to be noted, first, an 80 per cent. rise between 1900 and 1902, then a 30 per cent. fall by 1904, then a 50 per cent. rise to 1906 and a 30 per cent. fall by March, 1907.

It is the purpose of the author to show that the solid earning

power of the roads makes them safe investments and these wide fluctuations in market prices give exceptional opportunities for profits. The fluctuations in the prices of securities are vastly greater than anything in the earnings, conditions, or prospects of the roads would cause.

This is due to an "ineradicable tendency to overspeculation fostered by clever manipulation." Prices are carried too high; then, in the reaction, swing too low. The gambling public has a well-established habit of buying at the top and selling at the bottom. This makes the price line cross and recross the value line. By the time an investor or gambler has learned this simple fact through market experience, he usually has no funds to enable him to utilize his knowledge. A little time spent in the study of the principles and facts set forth in this book should enable any investor of ordinary intelligence to ascertain the line of value for any given securities at much less cost than plunging on tips or following blindly the advice of someone else involves.

Just in proportion as the investing and gambling public become able to ascertain the line of value and learn the elementary principle of buying low and selling high, the fluctuations will be minimized, and chances for the intelligent investor to make great profits will diminish. There is not much evidence to show that intelligence is becoming so universal or the gambling instinct so weak that the chance to make profits from fluctuating prices is disappearing or will vanish in the near future. There are still abundant opportunities for the wise to profit at the expense of the foolish, but a study of Mr. Snyder's book should transfer many from the foolish to the wise class—from the gamblers to the investors—with much advantage to themselves and the public.

It is pretty clearly shown that the railways are not as a whole overcapitalized. In the cases where the stock is watered, the road and the investors rather than the shipper are the sufferers.

The sane optimism of the author is shown in the closing paragraph of his introductory chapter (p. 65):

It is not without interest that many of our roads have now been in existence, some of them continuously paying dividends, for more than half a century. They have come to stay. They will be here at the end of another half-century. No legislation will destroy them, no dishonest management will materially cripple them, and they are in the end the solidest, safest, and most profitable field of investment to be found anywhere in the world. Taken as a whole, they are managed with pre-eminent skill and ability. Taken

as a whole, they are managed honestly. To the shrewd and careful investor, buying when their shares are obviously low and other folks are frightened out, selling them out again when they are obviously too high, and when the foolish folk who sold at the bottom can see only the most roseate future, they present a greater opportunity of profit, with a smaller element of risk, than any other form of property in which he may place his surplus funds.

WILLIAM HILL

THE UNIVERSITY OF CHICAGO

Races and Immigrants in America. By JOHN R. COMMONS.
New York: The Macmillan Company, 1907. 8vo, pp.
xiii+242.

The matter of race has been too much neglected in discussions of immigration and Professor Commons' work is an attempt to call attention to this field. The book can be divided into three parts with substantial accuracy. The first part embraces chapter one, on "Race and Democracy," and may be characterized as a statement of the importance of race elements in the immigration question. The race problem is

the most fundamental of all American social and political problems. . . . The race problem in the South is only one extreme of the same problem in the great cities of the North, where popular government, as our forefathers conceived it, has been displaced by one-man power, and where a profound distrust of democracy is taking hold upon the educated and property-holding classes who fashion public opinion. . . . If in America our boasted freedom from the evils of social classes fails to be vindicated in the future, the reasons will be found in the immigration of races and classes incompetent to share in our democratic institutions.

And this matter of race is not to be considered lightly, for race differences are established in the very blood and physical constitution. . . . Races may change their religions, their forms of government, their modes of industry, and their languages, but underneath all these changes they may continue the physical, mental, and moral capacities and incapacities which determine the real character of their religion, government, industry, and literature. Race and heredity furnish the raw material, education and environment furnish the tools, with which and by which social institutions are fashioned; and in a democracy race and heredity are the more decisive, because the very education and environment which fashion the oncoming generations are themselves controlled through universal suffrage by the races whom it is hoped to educate and elevate.

The second part of the book is an analysis of the different race